

# RESTORING THE SILK ROAD

**ITERIS, INC. IMPROVES CHINA'S TRANSPORTATION SYSTEMS WITH THE ASSISTANCE OF THE US&FCS**

by Jake Bright  
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**Is the road more traveled the road more congested?** Usually. But, not for the residents of Jinan, China who are benefiting from the advanced traffic control technology of Iteris, Inc. A subsidiary of Odectics, Inc., Iteris is the global industry leader in the area of

Computer Traffic Management System for the City of Jinan. Working closely with the U.S. & Foreign Commercial Service (US&FCS), Iteris won the contract worth just under \$4 million.

Even though Iteris was offering the best package for the Chinese, the company did not originally have high hopes to

establish an advocacy strategy, including plans for the Jinan visit.

According to Sinnar, the joint domestic and international Commercial Service assistance was instrumental in winning the contract. "Both Richard and Karen acted as catalysts in making this deal happen. After we developed our strate-

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high technology products designed to improve vehicle safety and reduce traffic congestion.

In 1997, Iteris executives traveled to China to support their bid to develop a

win the contract. Its competitors, two European companies, were working with their governments to tie the contract to unrelated foreign grants. When Iteris heard that one government had offered a foreign assistance grant

of up to 40 percent of the value of the actual bid, it turned to its long-standing relationship with the Commercial Service for help. Iteris Senior Vice President for Asia sales, Donald Sinnar, worked closely with Karen Pilmanis of the Commercial Service in Beijing and Richard Swanson of the Orange County Export Assistance Center (EAC) to

gy, Karen traveled with us to the customer sites and played an important function as an advocate during the negotiating sessions and our presentations with numerous officials including the Mayor of Jinan."

Through these direct visits the Chinese delegation expressed an interest in reviewing Iteris' products and facilities first-hand in the U.S. "These kind of inspection tours are a commonplace occurrence when a large contract is being awarded by a Chinese municipal authority. They want to visit the American company to make sure that the substance and the technology being offered are a match. These visits play an important role in the final selection," noted Sinnar. This is where Commercial Service Officer Richard Swanson stepped in. "We worked very closely with Richard in establishing



Don Sinnar, senior vice president of marketing, with his Chinese business partner, Chen Weimin.

Photo courtesy of Iteris, Inc.

forums for the visiting delegation from China. His assistance was superb. Together with Richard, we arranged a visit to Los Angeles to view their traffic management system, a system we designed." This visit proved quite effective. While in LA, the Jinan delegation signed the initial phase of the contract for the implementation of Iteris' system.

Of the Commercial Service involvement in the deal, Mr. Sinnar believes, "Commercial Service assistance was a major contributing factor in securing the contract and sustaining a competitive status within the bidding process."

Iteris has been working with the Commercial Service since it decided to explore the Chinese market in 1994. "We felt that China was beginning to evolve into a very large market and we were very interested in participating in that market. After a great deal of research, we determined that the transportation involvements and improvements that were going to be made in China offered a lot of opportunity for our products. We found that the Chinese were very interested in American expertise and technology," said Sinnar.

Iteris has since completed the full implementation of the Jinan transportation system, including the training of all personnel, the automation of 65 traffic intersections and the construction of a traffic management center at the traffic police headquarters. In 1998, the Ministry of Transportation in Beijing selected the City of Jinan as the model for the future development of China's transportation systems. The Jinan system is used annually as a showplace for meetings of China's traffic officials.

When asked what advice Iteris would give to those looking to do business in China, Sinnar notes the tremendous opportunities, but stresses the importance of patience and the development



Iteris' video wall at the Urban Traffic Center in the City of Jinan, Shandong Province, Peoples' Republic of China.

Photo courtesy of Iteris, Inc.

of long-term relationships. "China is a country that is quickly developing the infrastructure to support the rapid economic growth that they are achieving as they become a very large player in the world's business community. Because of this rapid transformation, they have the ability to jump over many generations of development to get to the latest products and technologies. But at the same time, China does business at a pace much different from the West. In China, it is more important, and takes more time to establish, a successful business rapport. The largest piece of advice that I would give to any company is that investment relationship development will contribute the most to long-term success in the Chinese market."

Iteris has continued its relationship in Jinan and has also gone forward to sell its products through an established dealer network. Vice President Sinnar sees a very promising forecast for continued success: "We have positioned ourselves very well in China. We have established a great reputation there and feel we have laid the foundation to win more contracts to develop transportation systems around the country.

We are also optimistic about the increased business opportunities from China's pending WTO membership. With the agreement, many of the barriers will come down and China's internal business climate will significantly improve. This will certainly advance our abilities to sell our products and systems throughout the Chinese market."

With its well-established business rapport and advanced products, Iteris is certain to continue its role making all of China's roads fast, efficient and safe. ■

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